



ROBERT B. STEWART
PRESIDENT

April 14, 1997

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Mr. John V. Mirabella
Chief, Engineering and Standards Branch
Minerals Management Service
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RE: Minerals Management Service Proposed Rule on
Geological and Geophysical (G&G) Explorations of the
Outer Continental Shelf. 62 *Federal Register* 28 (February
11, 1997)

Dear Mr. Mirabella:

The National Ocean Industries Association (NOIA) welcomes the opportunity to provide comments on the above referenced proposal. NOIA represents more than 270 companies involved in all aspects of the exploration and production of the nation's Outer Continental Shelf oil and natural gas resources.

The association's membership has a direct interest in the MMS proposal as geological and geophysical (G&G) activities are an integral component to any offshore exploration and development operation. We also wish to recognize and support those comments offered by the International Association of Geophysical Contractors as it is this segment of the offshore business that the MMS proposal will most affect.

We understand the MMS need for G&G data and information so that it can effectively manage offshore oil and gas resources, yet we have strong reservations over the proposed notification requirements, which we believe will place an undue and costly paperwork burden on both industry and the MMS.

Sections 251.11 and 251.12 of the proposal, require notification to MMS "immediately" after acquisition, analysis, processing or interpretation of geological data and information. This will require a continuous round of notifications as data frequently undergoes several rounds of analysis, processing and interpretation. The requirement is burdensome and will generate an unnecessary flow of paperwork. NOIA questions the need for MMS to require notification at every step in the analysis, processing and interpretation of G&G data.

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The proposal also establishes new consultation and coordination requirements. Section 251.6 (c) is an overly broad consultation requirement that may create antitrust concerns. This section also calls on MMS to decide upon the "best available and safest technologies" for conducting G&G operations. NOIA recommends that this provision be removed, as MMS is unqualified to make a "best available technology" determination and the agency should not be involved in commercial determinations that will guide individual surveys.

MMS issued its Final Trial procedures for Access to Certain Geophysical Data and Information in the Gulf of Mexico in 1996. In that document, MMS noted its sensitivity to industry concerns "regarding the confidentiality of individual company work products and client lists and the potential burden of responding to a myriad of requests from MMS concerning the existence and availability of these types of reprocessed geophysical data."

NOIA questions why the MMS is now proposing provisions that require geophysical companies and OCS operators to respond to "myriad" notification requests concerning G&G data, and reveal licensing information. A move by MMS to require companies to reveal confidential and highly competitive commercial data will adversely affect data providers, brokers and has the potential to hinder OCS development.

We believe the MMS proposal, in particular the notification and data disclosure provisions, have the potential of jeopardizing competitive interests and compromising exploration and core business strategies in the offshore industry.

The National Ocean Industries Association recommends that MMS reevaluate its proposal in light of these and other comments from impacted stakeholders.

Sincerely,



Robert B. Stewart